

**BOARD OF INVESTMENT TRUSTEES
MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS**

MINUTES – OPEN SESSION

Friday, January 27, 2017

101 Monroe Street, 9th floor
Rockville, Maryland

Board Members Present:

Jennifer Barrett
Alexandre Espinosa
Stephen Farber
David Locke
Gino Renne
Kelda Simpson
Brad Stelzer
Shawn Stokes
George Willie

Staff:

Linda Herman
Marc Esen
Pat Paoli
John Feketekuty
Kevin Killeavy
Darrin Arbaugh
Priti Mehta

Others Present:

Mark Brubaker, Wilshire Associates
Stephen DiGirolamo, Wilshire Associates
Brad Atkins, Franklin Park
Melanie Fraind, Franklin Park
Amy Moskowitz, Counsel to the Board

CALL TO ORDER

Mr. Renne called the open session of the Board to order at 8:40 a.m.

DETERMINATION OF MEETING

The Board unanimously approved a motion to move into closed session at 8:41 a.m. for the purpose of discussing the investment of public funds, pursuant to Maryland Code, General Provisions Article, 3-305(b)(5).

The Board moved back into open session at 10:00 a.m.

Approval of Consent Agenda: Mr. Farber moved, and Mr. Espinosa seconded, and the Board approved the items listed on the Consent Agenda. Mr. Stelzer abstained from voting on the minutes.

Compliance and Audit Committee Report: Ms. Herman discussed the Compliance and Audit Committee meeting during which the Committee received presentations from the auditors and the ERS actuary.

Annual Budget FY 17 Revised and FY 18 Requested Budget: Ms. Mehta discussed the FY17 estimated budget and the FY 18 requested budget. Following discussion by the Board, Mr. Locke, and Ms. Barrett seconded, and the Board approved the following resolution:

1701-03 *Resolved, that Board approves the FY17 estimated and the FY18 requested budgets as presented in the Board materials.*

RSP FY18 Administrative Fee: Ms. Herman discussed the use of the forfeitures in the RSP noting that the account must be used each year for the purposes of paying expenses and employer contributions. Following discussion by the Board, Mr. Farber, and Mr. Espinosa seconded, and the Board approved the following resolution:

1701-04 *Resolved, that Board approves recommending to the CAO that no administrative fee will be charged for FY18 and implementing an employer contribution holiday in F&17 of \$300,000.*

The Board recessed at 10:15 a.m. and reconvened at 12:15pm for a joint session with the Board of Trustees for the remainder of the meeting.

Annual Ethics Disclosure: Ms. Herman requested the trustees complete their annual ethics disclosure.

Group Trust Legislation: Mr. David Levine of the Groom Law Group was present for this agenda item. Mr. Paoli discussed the creation of a group trust for purposes of securing investment opportunities and administrative efficiencies. Following discussion, and the proposed amendment of the legislation by the Boards, Mr. Locke moved, and Ms. Barrett seconded, and the Board approved the following resolution:

1701-05 *Resolved, that Board approves the amended legislation for the purposes of creating a Group Trust.*

Resolved, that the Chair is appointed as a co-trustee of the Group Trust.

Resolved, the Executive Director is appointed as the directed trustee of the Group Trust to handle administrative issues.

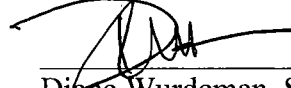
Resolved, that the Board approves amending the Governance Document to reflect these resolutions.

Divestment Legislation: Mr. Craig Bitman of Morgan, Lewis was present for this agenda item. The Board discussed the Council's proposed legislation regarding the divestment of fossil fuels. The Board received a presentation from Council member Roger Berliner and had the opportunity to provide comments and ask questions regarding the proposed legislation. After Council member Berliner departed the meeting, the Board resumed their discussion and requested that

Ms. Herman compose a memorandum reflecting the Boards comments on the legislation and transmit it to the County Council.

There being no further business of the Board, the open meeting session adjourned at 2:40 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Diane Wurdeman', is written over a horizontal line.

Diane Wurdeman, Secretary

